

ACTION BULLETIN

WASHINGTON BEER & WINE WHOLESALE ASSOCIATION

1991 LEGISLATIVE SESSION

Immediate action on your part is required on the following issue(s) in the Washington Legislature. Please report the results of your contacts to the Association's Olympia office soon as possible.

206-352-5252 FAX 206-943-9784

* Please note! Much of the information in this and other legislative bulletins is for the confidential use of wholesalers. Please do not copy and circulate such bulletins in the trade. Also, when communicating with legislators, please do not simply copy this entire bulletin or read it to a legislator. Summarize the information presented into your own words as it may apply to your own company. Then call or write your legislators.

January 30, 1991

To: All wholesalers
From: Phil Wayt
Subj: Advertising Regulations at LCB and ad bans at the legislature

Today the Wa. State Liquor Control Board unanimously voted down the additional advertising restrictions that had been proposed by the Wa. State Medical Association. WAWWA and others in the industry had testified in opposition to the vague proposal before the Board, November 28th. On that proposal, Chairman Paula O'Connor said the Board had received over 400 letters on both sides of the issue. She went on to say she felt the answer to underage abuse is more education, not more regulation.

Member Bob Hannah, who retires tomorrow, said he was convinced that ads don't influence young people to drink and that during prohibition there were no ads and many people drank too much. Mike Murphy said he hopes the debate will continue but that the current proposal doesn't do what proponents think it will.

After turning down the original proposal, the Board unanimously passed an amended proposal using several sections from the original proposal. The new language is enclosed for your review. New language is underlined. It becomes effective in 60 days. The Board also passed a "new section" on penalties for violations of the entire section. It is also enclosed.

OVER

EXHIBIT NO. 223, Date: 8/1/05
Deposition of Phillip Wayt
CONNIE CHURCH, Court Reporter

WBW-004608



Although I am pleased the Board did not adopt the original proposal from the doctors, what they did pass is once again somewhat vague and may present some problems. I'm not sure what "amusing overconsumption" may be, but it was already illegal to promote overconsumption anyway.

What is more troubling is the language on toys in section (9). Apparently, clothing or toys in children's sizes with brand names or logos, would be prohibited. There seems to be a technical drafting problem with the adopted amendment, but it is obvious the Board wants to prohibit such toys, etc. After the Board meeting I pointed out to staff that many "non licensed" toys and clothing is on the market. At any rate, for now these changes have been made and become effective in 60 days.

The battle now goes to the Legislature which is considering House Bill 1239 and House Joint Memorial 4001. They are enclosed for your review. Please note that HJM 4001 has 61 cosponsors and HB 1239 has 22. The public hearing on both these measures was last Friday and WAWWA, along with others in the industry, advertisers and broadcast attorneys, opposed both items.

You can see that the Memorial asks Congress to first; prohibit any alcoholic beverage commercials on television and secondly, prohibit use of automobiles, etc. in ads.

The most devastating language in HB 1239 comes at the top of page three, lines 3 through 9. You can see the express purpose stated is to "reduce sale and consumption", etc. It goes on to ban all television advertising (except cable).

As I'm sure you have read, there is absolutely no scientifically proven link between TV advertising and alcohol misuse or abuse, by any age group. To quote just three studies on the subject, in 1988 Professor Reginald Smart of The Addiction Research Foundation reviewed all existing scientific research on the subject and wrote, "The evidence indicates that ad bans do not reduce alcohol sales, total advertising expenditures have no reliable correlation with sales of alcoholic beverages and studies show no effect of advertising on consumption."

In 1985, A Federal Trade Commission investigation said, "Our review on the quantitative effect of alcohol advertising on consumption and abuse, found no reliable basis to conclude that alcohol advertising significantly affects consumption, let alone abuse."

And finally, a 1983 survey of alcohol research data by the bipartisan Congressional Office of Technology Assessment said, "The most reliable predictor of drinking among youths is the drinking behavior of their parents, although peers have an important influence."

MORE

WBW-004609

As I pointed out in a TV debate with Dr. Bergman of the Medical Association this week, beer ads don't cause abuse or illegal consumption just as automobile ads don't cause speeding and highway death and soft drink ads don't cause tooth decay. You can also point out to legislators that the Liquor Board already regulates advertising.

Representative Mike Heavy of Seattle, Chairman of the House Commerce and Labor Committee which heard this bill, has said that if the Board did not pass the regulation change before them today, he will try to pass the Memorial and Bill before his committee.

Therefore, it is important that all members of the House Commerce and Labor Committee be called immediately and urged to oppose both the Bill and Memorial. Also, please call all sponsors of both the HB 1239 and HJM 4001. Give them your position on the issue and ask them to take their name off both!

We will discuss these issues in more detail at our Board meeting next week. But, please don't wait until then to call. Names and numbers of committee members and all legislators were sent to you earlier.

Once again, the Board Meeting and evening Legislative Reception are open to all WBWA members. If you have not let us know you are coming, please call the office today!

WBW-004610